

BEFORE THE
BOARD OF OIL, GAS & MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF THE FORM AND AMOUNT OF THE REPLACEMENT SURETY FOR THE RIM-COLUMBUS MINE IN SAN JUAN COUNTY, UTAH OPERATED BY INTERNATIONAL URANIUM (USA) CORPORATION	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER APPROVING FORM AND AMOUNT OF THE SURETY Cause No. M/037/006 (Matter Heard by the Board 1/22/97 as Agenda Item No. 2)
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Pursuant to notice, the above matter came on for hearing before the Board of Oil, Gas & Mining (the "Board") at its regularly scheduled hearing held in Salt Lake City, Utah on January 22, 1997. Members of the Board present at the hearing included Chairperson Dave Lauriski and members Jay L. Christensen, Thomas B. Faddies, Judy F. Lever, Raymond Murray and Kent G. Stringham. Board member Elise L. Erler was present, but she recused herself and took no part in hearing or deciding this matter. International Uranium (USA) Corporation (the "Operator") did not have a representative present during the hearing. Assistant Attorney General Patrick J. O'Hara acted as counsel to the Board.

Having duly considered the form and amount of the proposed surety, and all of the information provided to the Board at the hearing, the Board rules as follows:

FINDINGS OF FACT

1. The Division of Oil, Gas and Mining (the "Division"), by and through staff members Mary Ann Wright, D. Wayne Hedberg and Anthony A. Gallegos, recommended that the Board approve a reclamation surety for the Operator's mine, in the form of a \$44,100 irrevocable letter of credit (ILOC) issued by Norwest Bank Colorado, National Association of Denver, CO, for the reasons set forth in detail in that certain letter dated January 7, 1997 to the Board from the Division, and the supplemental attachments thereto, including those attachments which were distributed to the Board members at the hearing, which documents are attached hereto collectively as Exhibit A (the "Recommendation").

2. As set forth in the Recommendation, in consultation with the Operator, the Division had, prior to the hearing, determined that the cost to reclaim the 13 acres of the Mine which is covered by the Operator's notice of intention to mine will be \$44,100 escalated to 2002 dollars, based on site-specific calculations reflecting the Division's cost to reclaim the Mine.

2. All of the facts sets forth in the Recommendation are hereby

incorporated by reference and are hereby expressly adopted by the Board as the Board's own factual findings.

CONCLUSIONS OF LAW

1. The Board has the authority under Utah Code Ann. Sec. 40-8-7(e) (1953, as amended) and Utah Administrative Code R647-4-113.4 to determine the form and amount of the reclamation surety for the above-captioned mining operation.

2. The Board has the power, under Utah Administrative Code R647-4-113.4.12, to accept as a reclamation surety an ILOC payable to the Division in the form and amount attached to the Recommendation.

3. An ILOC issued by Norwest Bank Colorado, National Association payable to the Division for itself and as agent for the United States Department of the Interior, Bureau of Land Management in the exact amount of \$44,100, in the form attached to the Recommendation, is a form and amount of reclamation surety acceptable to the Board in this matter.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, IT
IS HEREBY ORDERED:

The Operator may engage in mining operations at the Rim-Columbus
Mine because the Operator has provided to the Division a suitable reclamation
surety in the form of the ILOC attached to the Recommendation, payable to the
Division in the exact amount of \$44,100.

ISSUED this 13 day of February, 1997.

STATE OF UTAH
BOARD OF OIL, GAS & MINING

By 
Dave D. Lauriski, Chairman

CERTIFICATE OF SERVICE

I hereby certify that, on the 13 day of February, 1997, I mailed, postage prepaid, a true and correct copy of the foregoing FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER APPROVING FORM AND AMOUNT OF THE SURETY to the following:

Attn: President
International Uranium (USA) Corporation
c/o President of Energy Fuels Nuclear, Inc.
Three Park Central, Suite 900
1515 Arapahoe Street
Denver, CO 80202

I further certify that I caused copies of same to be hand-delivered on said date to:

Mr. James W. Carter
Director
Division of Oil, Gas & Mining
Department of Natural Resources, State of Utah
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

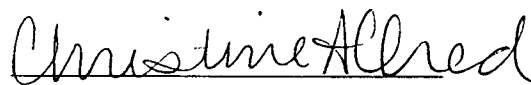
Mr. D. Wayne Hedberg
Permit Supervisor
Division of Oil, Gas & Mining
Department of Natural Resources, State of Utah
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Mr. Lowell P. Braxton
Deputy Director
Division of Oil, Gas & Mining
Department of Natural Resources, State of Utah
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Mr. Anthony A. Gallegos
Senior Reclamation Specialist
Division of Oil, Gas & Mining
Department of Natural Resources, State of Utah
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Ms. Mary Ann Wright
Associate Director-Mining
Division of Oil, Gas & Mining
Department of Natural Resources, State of Utah
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Patrick J. O'Hara, Esq.
Assistant Attorney General
Office of the Attorney General, State of Utah
1594 West North Temple, Suite 300
Box 140855
Salt Lake City, UT 84114-0855


Christine Allred
Secretary to the Board



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
(801) 359-3940 (Fax)

January 7, 1997

TO: Board of Oil, Gas and Mining

THRU: Mary Ann Wright, Associate Director *MAW*

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aaG*

RE: Request for Board Approval, Amount and Form of Proposed Replacement Reclamation Surety, International Uranium (USA) Corporation (IUC), Rim-Columbus Mine, M/037/006, San Juan County, Utah

At the request of the operator, the Division seeks the Board's conditional approval of the amount and form of reclamation surety proposed by IUC for the Rim-Columbus Mine, located in San Juan County, Utah. The form of surety proposed is a surety bond for the amount of \$44,100. The surety jointly lists the Division and BLM.

Energy Fuels Nuclear, Inc. is in the process of acquiring/transferring the Rim-Columbus Mine currently owned by Umetco Minerals Corporation. In turn, IUC is purchasing all the assets controlled by Energy Fuels Nuclear. Closing for the acquisition of Energy Fuels Nuclear by IUC is tentatively set for the end of January 1997. IUC is seeking conditional approval so the replacement surety can become effective at the time of the actual acquisition closing. If the Board accepts this proposal, the Division would not sign the forms transferring the site from Umetco to IUC until the actual surety is received. This operation is an underground uranium mine which has been in a state of suspension since 1984. Final signed copies of the Reclamation Contract will be available by the Board Hearing. Final signed copies of the surety bond will be available at the time of closing.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Executive summary
3. Location maps
4. Reclamation surety estimate
5. Draft Reclamation Contract (Form MR-RC)
6. Draft Surety bond (Attachment B - MR Form 6)

Thank you for your time and consideration of this request.

jb
Attachments
M037006.BRD

EXHIBIT

TALMERA

A

DOGM MINERALS PROGRAM

Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared January 6, 1997

Company Name: International Uranium (USA) Corp
 Mine Name: Rim-Columbus
 File No.: M/037/006

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		1988 estimate and 1997 update
Signed Reclamation Contract		X	Signed copy available by Hearing date
Signed Power of Attorney/ Affidavit of Qualification			
Bond/Reclamation Surety	X		Signed copy available at time of Closing
Surety Sign Off (Other State/Federal Agencies)		X	Joint surety forms used
RDCC contacted		X	N/A

M037006.ck1

EXECUTIVE SUMMARY

Prepared January 7, 1997

Mine Name: Rim-Columbus
Operator: International Uranium (USA) Corp
Three Park Central, Suite 900
1515 Arapahoe Street
Denver, Colorado 80202
Telephone: 303- 623-8317
Contact Person: Rick VanHorn (970) 243-1968

I.D. No.: M/037/006
County: San Juan
New/Existing: Existing
Mineral Ownership: BLM
Surface Ownership: BLM
Lease No.(s): N/A
Permit Term: Life of Mine

Life of Mine: 4-5 years

Legal Description: NW1/4, NW1/4 Section 29, NE1/4 NW1/4 & NW1/4 NE1/4, Section 30, SE1/4, SE1/4, Section 19, and the SW1/4, SW1/4, Section 20, Township 31 South, Range 25 East

Mineral(s) to be Mined: Uranium/Vanadium

Acres to be Disturbed: 17

Present Land Use: Grazing and Mining

Postmining Land Use: Grazing

Variances from Reclamation Standards (Rule R647) Granted: A letter to Atlas in 1985 states that the operator will be responsible for sealing the portals located on the side of the mesa (Columbus and Humbug), but no waste dump reclamation in this area is indicated. The Rim, Columbus and Humbug mines were all in operation prior to May 14, 1975. Little or no topsoil has been stockpiled for reclamation use. Accordingly, upon final reclamation, IUC will work with state and federal agencies to see if a reasonable source of topsoil can be identified and used for cover on the disturbed areas. Barring this, the dumps will be scarified, nutrients added, seeded and monitored for growth.

Soils and Geology

Soil Description: The characteristic site soil type consists of a weathered, uniformly graded, clayey sandy silt. Ores and associated waste rock are produced from the Salt Wash member of the Morrison Formation. Waste rock is a white, medium grained, sandstone which compacts well on waste dumps due to high clay content.

pH: 7.8 - 8.4

Special Handling Problems: None

Geology Description: Not available

Hydrology

Ground Water Description: Water is encountered in two places in the mine: 1) about 300 feet down the shaft, water sitting on top of the Brushy Basin formation flows in at a rate of from 3 to 5 gallons per minute,

contains no radionuclides, and is suitable for stock watering. 2) water present in the ore zone is generated at rates of less than 3 gallons per minute. Water pumped from the mine workings is treated at a barium chloride treatment plant just south of the head frame.

Surface Water Description: There are no surface waters in the area of the mine. The only surface concerns would be from local storm events causing minor erosion of the waste piles and this is monitored on a regular basis and corrective action taken if necessary.

Water Monitoring Plan: Water monitoring is conducted under the UPDES permit.

Ecology

Vegetation Type(s); Dominant Species: Pinion pine, juniper, sagebrush, russian thistle, rabbit brush, oak brush, Utah serviceberry, mormon tea, shadscale, greasewood, cheatgrass, indian ricegrass and yucca.
Dominant species are Pinyon pine, juniper and oak brush

Percent Surrounding Vegetative Cover: 0% on disturbed areas to approximately 10% on undisturbed areas.

Wildlife Concerns: None

Surface Facilities: A 700 foot deep shaft with head frame and hoist house, an office, dry room, shop and compressor building. East of the facility is a seven foot diameter ventilation hole equipped with a fan. South of these facilities is a barium chloride treatment facility consisting of one small building and two fenced retention ponds.

Mining and Reclamation Plan Summary:

During Operations: Uranium ore in the Saltwash sandstone formation is being mined underground through the Rim Shaft, the Columbus Incline, and the Humbug Incline. Mining is conducted using a modified room and pillar technique. The mining operation consists of sites disturbed prior to May 14, 1975. To minimize further disturbance of the area, existing ore pads, waste dumps, and access roads will be utilized. Access roads will be maintained by filling and/or blading. Original topsoil and vegetation on the mining sites has either been displaced or covered with muck from past mining operations. This makes recovery and respreading of topsoil impractical. Muck from the mining operation is stockpiled in specific locations. This material has not been classified as acid or alkali-producing, but has exhibited resistance to excessive erosion. There are no natural water bodies in the area and mine water is stored for on-site use. Disturbed areas and materials will be stabilized by regrading and seeding. Revegetation test plots will be planted to determine the best method for obtaining final stabilization. It is not anticipated at this time that any material will be taken out of the Humbug or Columbus portals; these will be used only for equipment access, ventilation and emergency escape. If and when it becomes necessary to expand the waste facilities at the Rim, any topsoil that can be salvaged will be removed and stockpiled for future reclamation use.

After Operations: Upon final abandonment of the mines, extraneous debris, scrap metal and wood, and unusable buildings will be buried or removed from the location. The inclines, shaft, and ventilation holes will be sealed to prevent unauthorized or accidental entry. Disturbed materials, primarily consisting of muck or waste dumps, will be regraded with a bulldozer into stable slopes and seeded. Immediate access roads and

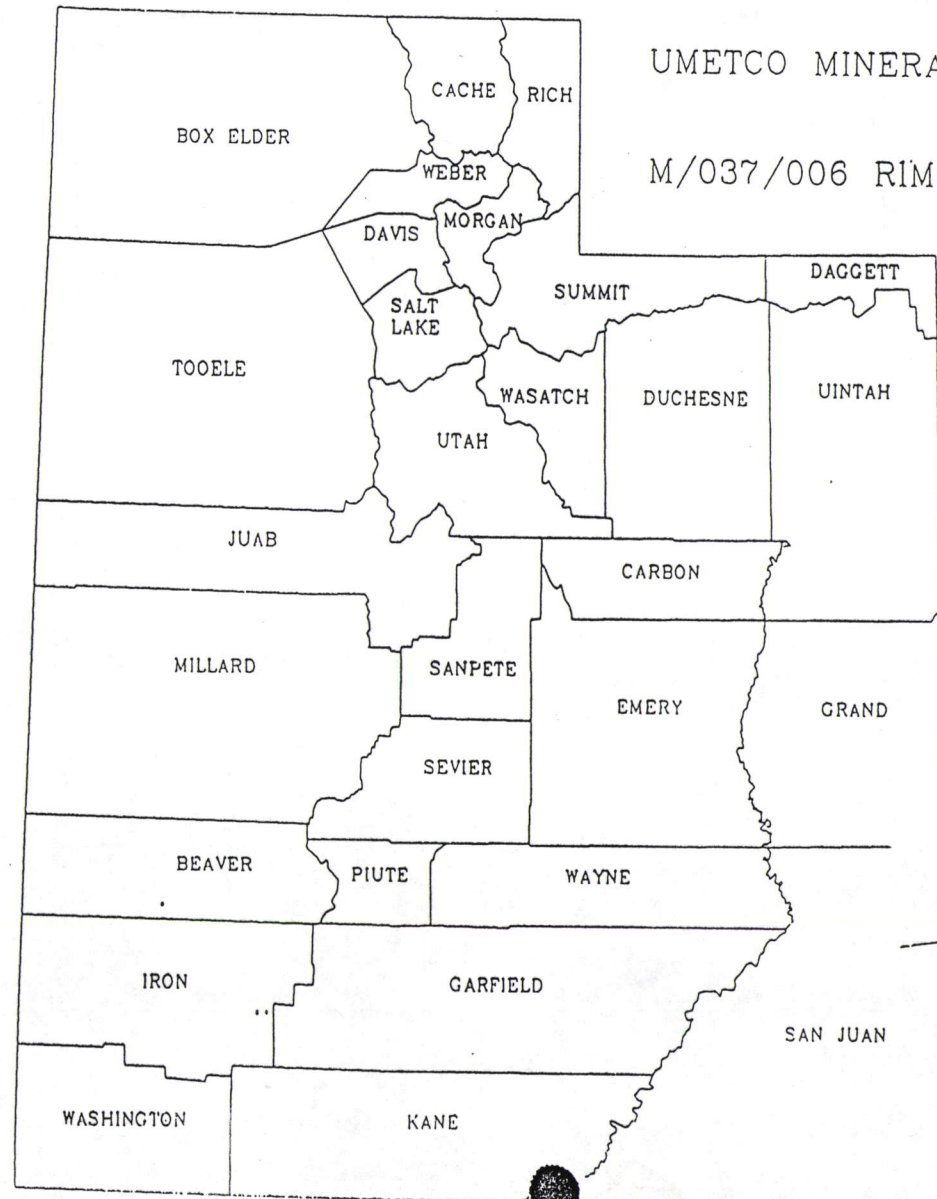
the mining operation sites will also be regraded and seeded. All regrading will maintain, to the best ability, disturbed area natural drainages. Since topsoil is not available for respreading, an approved seed mix will be seeded directly on the regraded areas. These areas will be monitored and reseeded if necessary. Additional or alternate reclamation practices can be used as they are developed. Scarification and other soil treatment techniques will be employed on compacted surfaces before seeding.

Surety

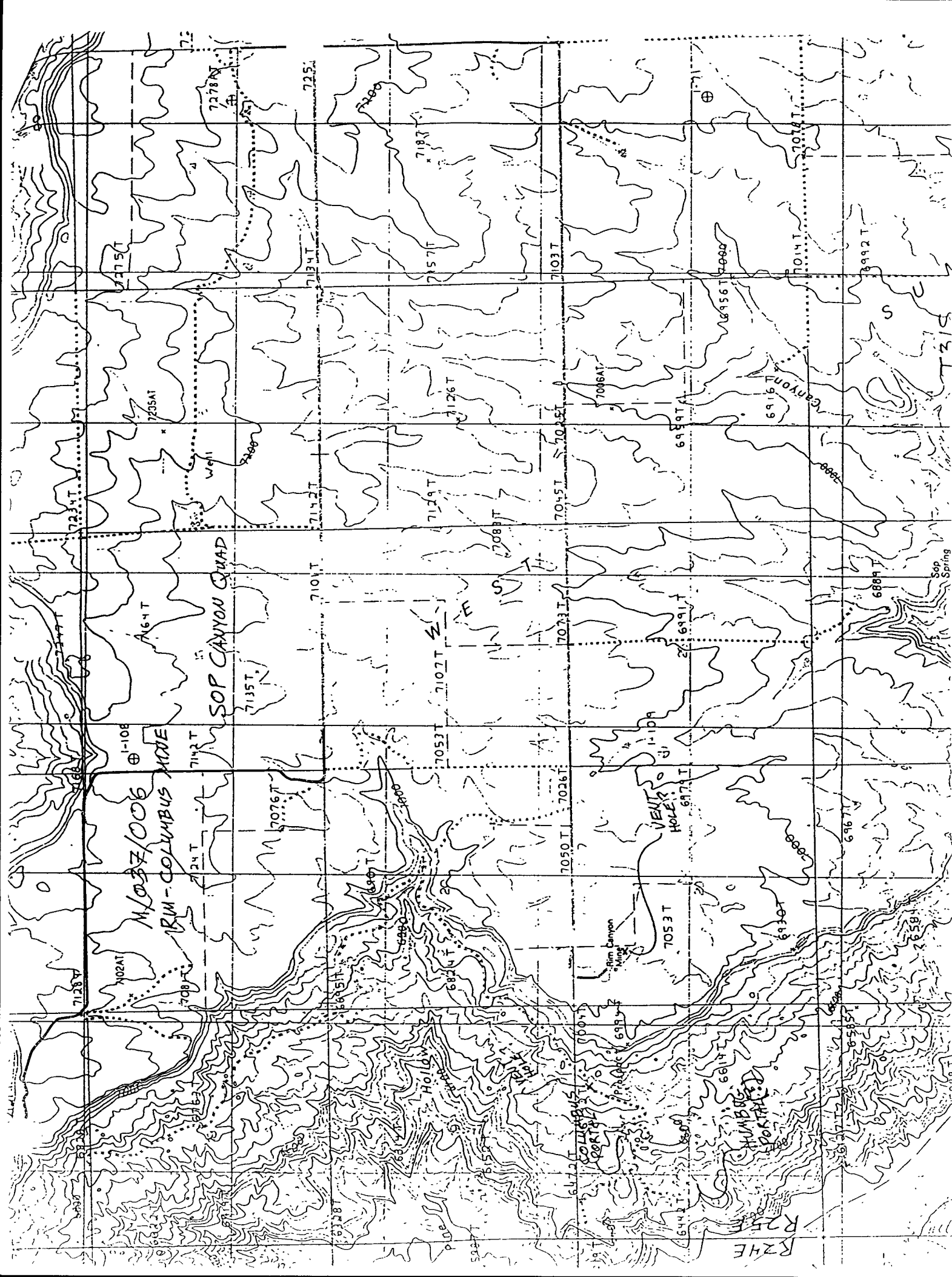
Amount: \$44,100
Form: Surety Bond
Renewable Term: 5 years (2002)

UMETCO MINERALS CORPORATION

M/037/006 RIM-COLUMBUS



RIM-COLUMBUS



SURETY ESTIMATE UPDATE

International Uranium (USA) Corporation
 Rim-Columbus Mines M/037/006 San Juan County
 Prepared by Utah Division of Oil, Gas & Mining

file m37-06up.wb2

last revision

01/06/97

DESCRIPTION:

- This update is for a transfer from Umetco Minerals Corp. to International Uranium (USA) Cor
- Energy Fuels Nuclear will soon become International Uranium Corporation
- 1988 base amount taken from the July 1988 estimate prepared by the Division
- There has been no mining activity at the site since 1984
- Underground mine workings were dewatered until 1993
- Permit transferred from Atlas Minerals Corp. to Umetco Minerals Corp. in 1989
- Surety was replaced by Umetco Minerals Corp. in 1994 due to a change in surety company
- Land ownership for the mine sites is BLM
- Escalation factors through 1995 are actual Means Historical Cost Indices
- Original permit area is approximately 17 acres; current disturbance is approximately 13 acres
- Total disturbed area from the 1994 estimate update = 13 ACRES

CALCULATIONS

	YR	ESCAL FACTOR	BOND AMOUNT
	1987	0.0195	\$0
BASE AMOUNT & YEAR	1988	0.0181	\$32,200
	1989	0.0177	\$32,770
	1990	0.0077	\$33,022
$F = P(1 + i)^n$	1991	0.0127	\$33,442
F = Future Sum	1992	0.0221	\$34,181
P = Present Sum	1993	0.0261	\$35,073
i = Escalation Factor	1994	0.0321	\$36,199
n = number of periods	1995	0.0193	\$36,897
	1996	0.0258	\$37,849
	1997	0.0258	\$38,826
Three Yr Average = 2.58%	1998	0.0258	\$39,827
Used to Project 5 Yrs	1999	0.0258	\$40,855
into the Future	2000	0.0258	\$41,909
From the Year 1997	2001	0.0258	\$42,990
	2002	0.0258	\$44,099

Updated Surety Amount Rounded (2002 \$) \$44,100

** Average cost per acre = 3,392 (\$/ACRE)

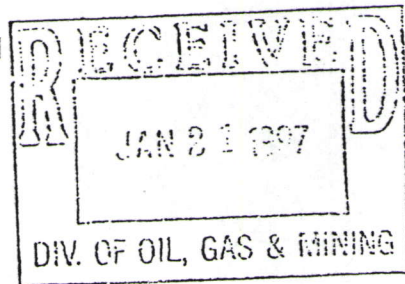
NOTE: Previous Division estimate was \$36,100 (1993 \$)

Description:

This site encompasses approximately 16 acres. Twelve of these acres are located atop the mesa and the remaining four acres encompass waste dumps which are next to two portals on the side of the mesa. A letter by Sue Linner to Atlas in 1985 states that the operator will be responsible for sealing the portals located on the side of the mesa (Columbus and Humbug), but no waste dump reclamation in this area is indicated. Final reclamation of the site will also encompass removal of several small buildings and the hoist structure. The waste and stockpile areas and the treatment ponds will have to be regraded and covered with available topsoil.

<u>Item</u>	<u>Amount</u>	<u>Rate</u>	<u>Cost</u>
Removal of Structures and debris	Buildings and hoist	Lump sum (limited salvage)	\$5,000
Plug Boreholes	2	\$250/ea	,500
Seal Portals	2	\$750/ea	1,500
Fill & Seal Shaft	1	\$2,000/ea	2,000
Regrade & Topsoil 12 acres	160 hours D-7	\$110/hr	17,600
Seed & Seed 2 acres	D-7 w/one laborer 16 hours	\$125/hr	2,000
Seed	12 acres	\$60/ac	,700
		Subtotal	\$29,300
		10% Contingency	2,900
		Total in 1988 \$	32,200
		Escalation (2.3% for 5 years)	3,900
		Total in 1993 \$	\$36,100

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/037/006
Uranium - Vanadium

"MINE LOCATION":

(Name of Mine)
(Description)

Rim - Columbus
Located 15 miles N-NE of Monticello,
San Juan County, Utah on the east
rim of East Canyon.

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

13
(refer to Attachment "A")

"OPERATOR":

(Company or Name)
(Address)

International Uranium (USA) Corporation
c/o Energy Fuels Nuclear, Inc.
Three Park Central, Suite 900
1515 Arapahoe Street

(Phone)

Denver, CO 80202
303-623-8317

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

CT Corporation
50 West Broadway
Salt Lake City, UT 84104

(Phone)

801-364-5101

"OPERATOR'S OFFICER(S)":

Earl E. Hoellen, President
Harold R. Roberts, Exec. Vice Pres.
Rick L. Townley, Vice Pres. - Finance

"SURETY":

(Form of Surety - Attachment B)

Irrevocable Standby Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Norwest Bank Colorado, National Association

"SURETY AMOUNT":

(Escalated Dollars)

\$44,100.00

"ESCALATION YEAR":

2002

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between International Uranium (USA) the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board"). Corp.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/006 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated 10/19/76, and the original Reclamation Plan dated 10/19/76. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

International Uranium (USA) Corporation
Operator Name

By: Earl E. Hoellen, President
Authorized Officer (Typed or Printed)


Authorized Officer's Signature

1/14/97
Date

SO AGREED this _____ day of _____, 19____

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
James W. Carter, Director

_____ Date

STATE OF _____)
) ss:
COUNTY OF _____)

On the _____ day of _____, 19 _____, personally
appeared before me, who being duly sworn did say that he/she, the said
_____ is the Director of the Division of
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she
duly acknowledged to me that he/she executed the foregoing document by
authority of law on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires:

OPERATOR:

International Uranium (USA) Corporation
Operator Name

By Earl E. Hoellen, President
Corporate Officer - Position

1/16/97
Date

Earl E. Hoellen
Signature

STATE OF COLORADO)
CITY &) ss:
COUNTY OF DENVER)

On the 16 day of January, 19 97, personally
appeared before me Earl E. Hoellen who
being by me duly sworn did say that he/she, the said Earl E. Hoellen
is the President of International Uranium (USA) Corporation
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Earl E. Hoellen duly acknowledged to me that said
company executed the same.

NOTARY PUBLIC
VICKI LYNN HOFFSETZ
STATE OF COLORADO
My Commission Expires Aug. 12, 1998

Vicki Lynn Hoffsetz
Notary Public
Residing at: 8449 Nelson Dr Arvada CO

8/12/98
My Commission Expires:

ATTACHMENT A

Mine: Rim-Columbus Mines

Permit No.: M/037/006

Location: San Juan county, Utah

Operator: International Uranium (USA) Corporation
c/o Energy Fuels Nuclear, Inc.
Three Park Central, Suite 900
1515 Arapahoe Street
Denver, CO 80202

Location:

Located in Portions of:

T 31 S, R 25 E, SLBM:

NW 1/4, NW 1/4 Sec 29

NE 1/4, NE 1/4, & NW 1/4, NE 1/4, Sec 30

SE 1/4, SE 1/4, Sec 19

SW 1/4, SW 1/4, Sec 20

(Note: See Also Attached Map)



NORWEST BANK COLORADO, NATIONAL ASSOCIATION
LETTER OF CREDIT DEPARTMENT
1740 BROADWAY
DENVER, CO 80274-8685
TELEX NUMBER 168118 NBI DVR
SWIFT ADDRESS: NWNBUS55
PHONE: (303) 863-6424, FAX (303) 863-4898

COPY

IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE NUMBER: :
JANUARY 22, 1997

TO: (BENEFICIARY)
UTAH DIVISION OF OIL, GAS AND MINING
FOR ITSELF AND AS AGENT FOR
U.S. DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

ACCOUNT PARTY:
INTERNATIONAL URANIUM (USA) CORPORATION
1050 17TH STREET SUITE 950
DENVER, CO 80202

NORWEST BANK COLORADO, N.A. OF DENVER, COLORADO HEREBY
ESTABLISHES THIS IRREVOCABLE LETTER OF CREDIT (THE "LETTER OF
CREDIT") IN FAVOR OF THE UTAH DIVISION OF OIL, GAS AND MINING
FOR ITSELF AND AS AGENT FOR U.S. DEPARTMENT OF INTERIOR BUREAU
OF LAND MANAGEMENT ("BENEFICIARY") FOR AN AGGREGATE AMOUNT NOT
TO EXCEED USD44,100.00 (RECLAMATION COST ESTIMATE) IN UNITED
STATES DOLLARS ("FACE AMOUNT") EFFECTIVE IMMEDIATELY.

THIS LETTER OF CREDIT WILL EXPIRE AT THE COUNTERS OF
INTERNATIONAL BANKING AT 3:00PM DENVER TIME ON JANUARY 17, 1998.
CANCELLATION OF L/C PRIOR TO EXPIRATION:

THIS LETTER OF CREDIT (AND AMENDMENTS) MUST BE RETURNED TO US
FOR CANCELLATION WITH A STATEMENT PURPORTEDLY SIGNED BY THE
DIRECTOR OR THE DEPUTY DIRECTOR OF THE UTAH DIVISION OF OIL,
GAS AND MINING STATING THAT:

"THIS LETTER OF CREDIT IS NO LONGER REQUIRED BY US AND IS
HEREBY RETURNED TO THE ISSUING BANK FOR CANCELLATION."

THIS LETTER OF CREDIT IS DEEMED AUTOMATICALLY EXTENDED FOR
PERIODS OF ONE YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION
DATE UNLESS AT LEAST 90 (NINETY) DAYS PRIOR TO SUCH
EXPIRATION DATE NORWEST BANK COLORADO, N.A. NOTIFIES THE



BENEFICIARY BY REGISTERED AIRMAIL THAT THE BANK DOES NOT CONSIDER THIS LETTER OF CREDIT RENEWED FOR SUCH ADDITIONAL PERIOD.

FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE AGAINST THE BENEFICIARY'S SIGHT DRAFT DELIVERED TO THE COUNTERS OF THE INTERNATIONAL BANKING DEPARTMENT OF NORWEST BANK COLORADO, N.A. ATTN: INTERNATIONAL BANKING DEPARTMENT, 1740 BROADWAY, DENVER, CO 80274-8685. AT THE BENEFICIARY'S SOLE ELECTION, THE BENEFICAIURY MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT A AND EXHIBIT B SIGNED BY A PURPORTED AUTHORIZED REPRESENTATIVE OF THE BENEFICAIURY.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM COMMERCIAL CODE AS ENACTED BY THE STATE OF COLORADO AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500. IN THE EVENT OF CONFLICT BETWEEN COLORADO LAW AND THE UCP, COLORADO LAW WILL GOVERN.

IF NORWEST BANK COLORADO, N.A. RECEIVES THE SIGHT DRAFT(S), EXHIBIT B, THIS LETTER OF CREDIT AND ANY OTHER DOCUMENTS OR REQUIREMENTS CALLED FOR UNDER THE LETTER OF CREDIT AND THE FOREGOING ARE IN STRICT COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, NORWEST BANK COLORADO, N.A. WILL MAKE AVAILABLE TO BENEFICIARY THE FUNDS NO LATER THAN THE CLOSE OF BUSINESS, DENVER, COLORADO TIME, ON THE SEVENTH BANKING DAY FOLLOWING RECEIPT OF ALL OF THE FOREGOING.

PARTIAL DRAWINGS ARE PERMITTED.

FOR INFORMATION PURPOSES ONLY: RECLAMATION FOR THE RIM-COLUMBUS (MINE), M/037/006 (MINE PERMIT NUMBER)

NORWEST BANK COLORADO, NATIONAL ASSOCIATION
BY:



(AUTHORIZED SIGNATURE)



(AUTHORIZED SIGNATURE)



EXHIBIT A - SIGHT DRAFT
TO LETTER OF CREDIT NUMBER

DATE

CITY, COUNTY

LETTER OF CREDIT NO.

PAY TO THE ORDER OF: UTAH DIVISION OF OIL, GAS AND MINING,
FOR ITSELF AND ON BEHALF OF AND AS AGENT FOR U.S. DEPARTMENT OF
INTERIOR BUREAU OF LAND MANAGEMENT

DOLLARS

TO: NORWEST BANK COLORADO, N.A.
INTERNATIONAL BANKING DEPT
1740 BROADWAY
DENVER, CO 80274-8685

UTAH DIVISION OF OIL, GAS
AND MINING FOR ITSELF AND AS
AGENT FOR U.S. DEPARTMENT OF
INTERIOR BUREAU OF LAND
MANAGEMENT
1594 WEST NORTH TEMPLE SUITE 1210
SALT LAKE CITY, UTAH 84114-5801

BY: _____
SIGNATURE



EXHIBIT B
TO LETTER OF CREDIT NUMBER

I, _____ A PURPORTED AUTHORIZED REPRESENTATIVE
OF THE UTAH DIVISION OF OIL, GAS AND MINING, HEREBY CERTIFY THAT
(1) THE DRAWING IN THE AMOUNT OF USD _____, BY
SIGHT DRAFT ACCOMPANYING THIS CERTIFICATE, UNDER LETTER OF
CREDIT NO. _____ DATED _____ ISSUED BY NORWEST
BANK COLORADO, N.A. IS PERMITTED UNDER THE PROVISION OF THE
LETTER OF CREDIT, (2) THE LETTER OF CREDIT HAS NEITHER EXPIRED
NOR TERMINATED PURSUANT TO ITS TERMS, (3) THE AMOUNT OF THE
SIGHT DRAFT, TOGETHER WITH ANY AMOUNTS PREVIOUSLY DRAWN UNDER
THE LETTER OF CREDIT, DOES NOT EXCEED THE FACE AMOUNT, AND (4)
THE UTAH BOARD OF OIL, GAS AND MINING AFTER NOTICE AND HEARING,
HAS ENTERED AN ORDER WHICH HAS NOT BEEN STAYED, ORDERING
FORFEITURE OF THE RECLAMATION CONTRACT NUMBER _____, IN
ACCORDANCE WITH APPLICABLE LAW. PROCEEDS OF THIS DRAWING WILL BE
UTILIZED IN FULL TO PAY THE EXPENSES RELATING TO THE RECLAMATION
LIABILITY FOR THE RIM-COLUMBUS(MINE), M/037/006 (MINE PERMIT
NUMBER).

THE UTAH DIVISION OF OIL, GAS AND MINING

BY:

SIGNATURE

DATE:

ERRORS ON
EXHIBIT B